

**World Congress, 10<sup>th</sup> Annual Medicare Summit**  
**Congressional Opening Keynote Address of Rep. Henry Waxman**  
**“Realizing Progress Amidst Propaganda – The Success and Future Outlook of**  
**the Affordable Care Act”**  
July 16, 2014

Thank you very much for having me here today.

I am very pleased to have the opportunity to discuss a law that I am immensely proud of – the Affordable Care Act.

This room is full of some of the nation’s top experts on not only the policy underlying the ACA but also the operational aspects of putting the law into practice.

The work many of you are doing around the country to implement this law is absolutely essential and I want to start off by thanking you for your work. It may not always be widely acknowledged, but I know how important it is.

Given the work you have been doing, I imagine many of you can identify with the title that the organizers of this conference suggested for my remarks: “Realizing Progress Amidst Propaganda: The Success and Future Outlook of the Affordable Care Act.”

There is no doubt that over the past five years, the Affordable Care Act has faced an inordinate amount of vitriol and propaganda.

I will spend some time today talking about the challenge all of this misinformation poses to implementation going forward.

But I want to spend most of my time talking about the remarkable progress we have made and the tremendous opportunities we have going forward.

I also want to try to share a little bit of historical perspective that will hopefully let us finish on an optimistic note.

### **ACA – Fact v Fiction**

But let's start with fact and fiction in the debate over the ACA.

The debate over the ACA in Congress and in the press has followed a pretty remarkable and regular pattern.

The first step is that critics of the law make a wild claim about death panels or a government takeover of health care or something else. The next step is the press and others question whether the claim is accurate. The next step is the claim is debunked. And the next steps is that critics move on to a new claim and the process repeats itself.

This process is particularly startling and disappointing when claims get recycled despite a total lack of evidence.

For example, even as the economy has added over 9 million private sector jobs since the ACA was enacted, critics still regularly claim it is destroying US job growth.

And despite CBO repeatedly concluding that the ACA will reduce the deficit by over \$1 trillion, and despite projected Medicare, Medicaid and exchange subsidy spending dropping by over \$1 trillion, critics still claim the law increases the deficit.

Now there is no doubt that launching a major new program like this has presented immense technological and administrative challenges.

Some of those challenges were created by the timelines in the law itself. Some were compounded by legal challenges and political opposition. And some were self-inflicted by the Administration.

And while I don't want to minimize the challenges or push them aside, we have to be honest that there is a profound difference between the technical implementation challenges we've had and the hyperbolic propaganda that the ACA will "destroy the private health insurance industry" or "take away your choice of doctor."

To paraphrase a famous quote about the difference between campaigning and governing – people criticize the law in poetry and they implement the law in prose.

When the number of people seeing tangible benefits from the law was relatively small, this was not a fair fight. And the propaganda had an impact.

But facts are stubborn things and that is what I try to focus on.

Any substantive health care policy making in the coming years will have to deal with two sets of important new facts about our health care system:

The first is coverage expansion. According to the Congressional Budget Office, before President Obama leaves office, 25 million previously uninsured Americans will have coverage. 12 million more Americans will have Medicaid coverage. Nearly 30 million people will be buying coverage on the individual market. Most of them will be buying through state based marketplaces or the federal marketplace. Not one of them will face discrimination based on a pre-existing condition.

Those are facts that my Democratic colleagues and I are immensely proud of. They represent a fundamental change in access to health care for the American people.

Republicans in Congress do not like these facts one bit. But the politics of trying to undo this progress will be immensely difficult for them.

The second set of facts about our changing health care system pose a different set of challenges and opportunities. The best way to draw out these facts is to think back a few years.

Imagine for a moment that at the end of the Bush Administration I told you that over the next few years, health plans would increasingly be using tailored provider networks, deductibles, and tiered formularies to lower costs and improve efficiency.

Imagine I told you that millions more consumers would be responsible for their own health care coverage and would be buying it in a transparent and competitive marketplace.

And imagine that I told you there would be extensive innovation in care delivery models and widely shared consensus around moving away from fee for service.

If I told you all of that in 2008, I am willing to bet most of you would have guessed that Republicans would be pleased with these trends.

But critics of the ACA have described each of these trends in the harshest possible terms over the past few years.

That is unfortunate because these trends represent our best hope to make meaningful improvements to the ACA and reach consensus on health policy in the years to come.

### **ACA – Opportunities and Challenges**

So what are the opportunities and challenges the ACA will face in the years to come?

My central priorities and concerns for the ACA – and for health policy generally – have always centered on the poorest and most vulnerable in our society. I have worked to protect and enhance the Medicaid program for every one of my 40 years in Congress.

The Medicaid expansion in the ACA was a monumental step forward. But far too many states have turned their back on their most vulnerable citizens and refused to expand Medicaid.

The impacts of their short sightedness on the health and well-being of their citizenry, as well as on their state finances, will be profound. Increasing the pressure on these states to expand coverage must remain the number one priority for health reform going forward. It is simply inexcusable.

When – not if, but when – these states expand Medicaid, there are a number of key issues that are worth focusing on.

The continued shift towards Medicaid managed care and the rise of the so-called Arkansas private option, raise new questions about maintaining the critical protections Medicaid provides for children, the elderly, and the disabled. Medicaid is not just another kind of health insurance policy. It offers comprehensive protections that our most vulnerable citizens rely on. We should not trade expanded coverage or delivery system reform for limited beneficiary protections.

I also think we need to remain vigilant about the beneficiary protections in marketplace coverage.

I take complaints about discriminatory benefit design very seriously. I have encouraged the Administration to take a more active role in addressing the issue, but states, exchanges, and health plans themselves have huge roles to play here.

Encouraging consumers to use cost effective treatments and high quality providers is one thing, but systematically discouraging people with certain conditions from enrolling in your plan is another thing entirely.

I also hope the ACA can play a critical role in addressing some of the fragmentation in our health care system.

The struggles that families can face when they are split between different kinds of coverage are real. We need to make sure that coverage is affordable when a family is split between employer coverage and marketplace coverage.

We also need to make sure that families transitioning between Medicaid, CHIP, and the ACA have the same high quality benefits and access to providers every step of the way.

These transition issues are also tied to another set of opportunities and challenges on the operational side of the ACA.

As we all know, the technological challenges of updating legacy state systems and getting the marketplaces up and running were immense. We all wish those challenges were 100% behind us, but with new marketplace and Medicaid enrollment slated to double next year, challenges will clearly remain.

I am very hopeful that states take this opportunity to embrace key options like express-lane eligibility so to ease some of their administrative burden.

Finally, there are the challenges that are a bit further beyond ACA supporters' control.

I like to think that Republicans learned their lesson during the government shut down last year. But I do fear that the next Congress could return us to the same

kind of brinksmanship associated with the ACA. A Republican Senate would make that even more likely.

Efforts to cut off funding will not be successful. But the continued uncertainty and hand to hand combat over the law is certainly not helpful.

It is bad for consumers, it strains Administrative resources, and it wastes Congress's time. State based marketplaces will face their own funding challenges, but I am confident that they will be more rational when it comes to funding the ACA than we have been in Washington DC.

The final opportunity I'll point to is the interaction of two major innovations in our health care system: the marketplaces and delivery system reform.

The ACA gives the Secretary broad authority to encourage alternative payment models across our health care system – including through the new health insurance marketplaces. Private payers and integrated delivery systems continue to explore a variety of post-fee-for service-models of care.

As enrollment grows in the marketplaces, they will represent an important vehicle for improving the quality and efficiency of our system. The people in this room will play a critical role in shaping these developments.

## **Conclusion**

Finally today, I want to offer some comments that put this moment for the ACA in some historical context.

We began drafting what became the ACA in 2008 and 2009.



That means that in less than 6 years we have gone from words on a page to 8 million people enrolled through marketplaces, 6 million in Medicaid, and tens of millions more with better, more secure coverage than they had before.

Contrast that with another landmark law I drafted: 1990 Clean Air Act. This law is perhaps the most effective environmental law ever written, but the fight to get it passed and the wait to see key benefits lasted more than a decade.

Critics of the law insisted that it would bankrupt the nation and shut down major industries. The fight to pass the law was brutal.

But in 2010 alone the Clean Air Act prevented over 160,000 premature deaths, 130,000 cases of heart disease, and 1.7 million asthma attacks, as well as 86,000 hospital admissions and millions of respiratory illnesses.

The fight was hard, but it was worth it.

The same is true on another key issue I have dedicated my career to: tobacco. It was 15 years from the day the tobacco chief executives denied to my subcommittee that nicotine was addictive to the day President Obama signed a law prohibiting cigarettes from being marketed to children and giving the Food and Drug Administration jurisdiction over tobacco products.

My role in that fight is part of a broader, 50 year tobacco control effort that has saved 8 million lives.

That fight was hard, but it was worth it.

From generic drugs, to nutrition labels on foods, to federal funding for HIV/AIDS research and care, many take the progress we have made for granted. But the laws creating these programs were not easy fights either and success never felt inevitable.

In the case of the ACA, we have already gotten over the highest hurdle – it is the law of the land and it has expanded coverage to millions of Americans. The most contentious and challenging reforms are in place.

While opposition remains loud and success may not always feel assured, I think some historical context is instructive. I truly believe that we are not that far away from a day when people simply take this law's benefits for granted and when many will forget what a fight it was to make it a reality.

I am grateful to those of you working on the front lines to make that come to pass. The fight will have been hard, but it will definitely be worth it.

Thank you all for having me today.